

administration's ability to abide by our obligations under NAFTA. As a result of this fact, the Statement of Administrative Policy included a very clear and direct veto threat stating that "the Senate Committee has adopted provisions that could cause the United States to violate our commitments under NAFTA. Unless changes are made to the Senate bill, the President's senior advisors will recommend that the President veto the bill."

Several of us also strongly objected to the appropriators' actions. As a result, we spent considerable floor time—nearly two full weeks in July—discussing the importance of NAFTA and our obligation to abide by our commitments to our trading partners.

At no time has the senior Senator from Texas or I argued that safety concerns were not of considerable importance in this debate. In fact, it was our proposal offered as an alternative to the Senate version that first called for an inspection of every Mexican truck similar to the model used in the State of California at the border.

Indeed, the proponents of NAFTA have had one goal since this issue surfaced in the DOT appropriations legislation this summer. From the beginning, our goal has been to ensure the appropriators did not succeed in their attempts through the DOT appropriations bill to effectively alter our solemn agreement with our neighbors to the South. If our trading partners are subject to the whimsical mood of the appropriators, how can we ever expect any nation that we have executed a trade agreement with, or one we are seeking to enter into trade agreements with, to have any faith that our word is true and we will abide by our agreements? If the appropriators' agenda had prevailed, I shudder to consider the consequences and the impact as we attempted to seek to negotiate new trade agreements or renewed ones.

After receiving assurances from the ranking member of the Appropriations Committee that he would work with the administration to ensure the conference agreement would not include any provisions that would prevent use from abiding by our NAFTA commitments, the senior Senator from Texas and I agreed to forgo some of our procedural rights and allowed the bill to go to conference without several additional votes and the expenditure of additional floor time. While early into the conference the Senate managers of the bill issued a release indicating a determination to provoke a Presidential veto, the appropriators finally agreed last week to incorporate provisions agreeable to the administration.

Upon hearing of the agreement with respect to Mexican trucks last week, I raised reservations over some of the provisions that I felt could be troublesome. However, in response to these concerns, the administration has assured us the agreement is not in violation of NAFTA. Last Friday, November 30, the White House issued the following statement of the President:

The compromise reached by the House and Senate appropriators on Mexican trucking is an important victory for safety and free trade. We must promote the highest level of safety and security on American highways while meeting our commitments to our friends to the South. The compromise reached by the conferees will achieve these twin objectives by permitting our border to be opened in a timely manner and ensuring that all United States safety standards will be applied to every truck and bus operating on our highways.

Moreover, I have received a letter from U.S. Trade Representative, Robert Zoellick, which states:

The Administration supports the agreement reached by the House and Senate appropriators on Mexican trucking as fully promoting highway safety and U.S. trade commitments. In addition, it will permit the United States to meet the commitments made to Mexico as part of the North American Free Trade Agreement.

I ask unanimous consent a copy of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
THE UNITED STATES TRADE REPRESENTATIVE,

Washington, DC.

Hon. JOHN McCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR McCAIN: I am writing to convey the Administration's views on Section 350 of H.R. 2299, the Department of Transportation's appropriations bill for fiscal year 2002.

The Administration supports the agreement reached by the House and Senate appropriators on Mexican trucking as fully promoting highway safety and U.S. trade commitments. In addition, it will permit the United States to meet the commitments made to Mexico as part of the North American Free Trade Agreement.

Sincerely,

ROBERT B. ZOELLICK.

Mr. McCAIN. Additionally, I note the conference report does include additional funding to address the many safety related enforcement requirements concerning Mexican carriers and drivers. While much of my statement today will express disagreement to the actions of the appropriators, in this case I want to note for the record that they have worked to provide sufficient funding to allow DOT to carry out the requirements with respect to the Mexican trucking issue and enable the border to be opened in a time-frame deemed appropriate by the administration.

Mr. President, enactment of this legislation will not be the end of our diligence to ensure we are allowed to open the border to Mexican carriers and in turn, allow American carriers to do business in Mexico. I intend to stay vigilant on this very important issue and will monitor the administration's actions with respect to the border opening in my capacity as ranking member of the Senate Committee on Commerce, Science, and Transportation. I remain committed to doing all I can to ensure the border is open consistent with our obligations under

NAFTA while protecting the safety of the American traveling public.

Mr. President, this is a bittersweet victory for highway safety and free trade. On the one hand the United States will be allowed to keep its promise to abide by its solemn treaty. Yet on the other hand, the egregious process of pork barrel earmarking continues. Unless you are from a state with a member on the Appropriations Committee, your State's transportation dollars most likely will be reduced by enactment of this bill which in many cases redirects authorized funding programs for the sake of the home-state projects of the appropriators.

I recognize that there are very important provisions in the legislation, sections that appropriate funds for programs vital to the safety and security of the traveling public and our national transportation system over all. Yet despite that necessary funding, and the fact that the legislation is not in violation of NAFTA, it once again goes overboard on pork barrel spending.

It is so bad, in fact, yesterday's Wall Street Journal included an article highlighting the very egregious actions of the appropriators to reduce state transportation dollars and direct those funds to earmarked projects. The article is entitled "Bill Gains To Cut State-Controlled Highway Funds." I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILL GAINS TO CUT STATE-CONTROLLED HIGHWAY FUNDS
(By David Rogers)

WASHINGTON.—In a total display of patronage politics, Congress is poised to remove nearly \$450 million of federal highway aid from state control to instead spend the money on road projects selected by lawmakers.

The appropriations leadership added the provision to a \$59.6 billion transportation budget for fiscal-year 2002 that was filed just before dawn Friday and rushed through the House hours later, where it passed 371-11. Tight limits on Senate debate all but ensure final passage this week, despite complaints that lawmakers are tampering with funding formulas laid out in the 1998 highway act.

Until the dust settles, it is difficult to say precisely how individual states will fare, but three—Kentucky, Alabama, and West Virginia—are clear winners. Rep. Hal Rogers (R., Ky), who led the House negotiators, engineered the arrangement and used it to corral extra dollars for his state. Alabama had three votes at the negotiating table, including Sen. Richard Shelby, the Senate's top GOP negotiator. West Virginia needed only one, Sen. Robert Byrd, chairman of the Appropriations panel and a master at capturing highway money for his rural state. Among the four largest earmarked highway accounts, Kentucky, West Virginia and Alabama are promised \$211 million, almost a fifth of the \$1.1 billion total.

Never before has the Appropriations leadership gone so far in tampering with the 1998 highway act, which was built on the premise that federal gas-tax receipts should be returned quickly to the states regardless of other federal spending priorities. The act